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Bell Atlantic

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

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The Hon. Reed E. Hundt  
Chairman  
Federal Communications Commission  
1919 M St., N.W.  
Washington, D.C. 20554

Re: Senate Commerce Committee Inquiries

Dear Chairman Hundt:

Following its recent oversight hearings, the Commerce Committee of the U.S. Senate asked the Commission to provide written responses to a series of questions. Among them is a question posed by Senator Dorgan, which asks about allegations that have been made concerning supposed "abuses" by incumbent local exchange carriers in interconnection negotiations. The three specific allegations that concern conduct by Bell Atlantic appear to be based on a misunderstanding of the facts or incomplete information. The purpose of this letter is to provide you with the facts with regard to each, in order to aid the Commission in responding to the Senator's inquiry.

The first Bell Atlantic example relates to a proposal "to limit the number of unbundled loops purchased by a new entrant to 25 per week for the first three months of competition." Although we proposed such an interim limit in two states when we first offered unbundled loops to permit our systems to be tested, no such limitation is in effect in any of the states we serve. Specifically, Bell Atlantic proposed the 25-loop-per-week per LATA limitation for an initial interim period in Maryland and Pennsylvania because provision of unbundled loops was a new service with which we had no experience. Bell Atlantic, like the rest of the industry, ordinarily initially deploys new services on a limited basis in order to field test all of the ordering and provisioning procedures associated with the new service. This permits us to ensure that all systems are performing reliably before the service is widely deployed. The interim limitations were designed to perform such testing as the service was deployed, rather than delaying the availability of the service to our competitors.

In Pennsylvania, Bell Atlantic offered to work with any of the competitors to test the service before deployment but no competitor offered to participate in such a test. Moreover, no competitor alleged in those proceedings that it needed to obtain more loops more quickly from us. Nevertheless, Bell Atlantic's proposal was rejected by both the Maryland and Pennsylvania Commissions. As a result, there are no volume limits on loops orders in Maryland today, and there will be none in Pennsylvania when the tariff for loops becomes effective there.

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The second example says that Bell Atlantic "refuses to provide cost support in Maryland." That allegation is unfounded. Bell Atlantic-Maryland has supplied all required cost support data in any Maryland state regulatory proceeding relating to interconnection arrangements with competing service providers. In fact, competing providers were not only given full access to such cost support data in proceedings to set rates for unbundled loops; they were even allowed to take Bell Atlantic's proprietary cost data home with them. Likewise, in our interconnection negotiations in Maryland and elsewhere, Bell Atlantic has told interconnecting carriers that it is willing to provide cost support data to any negotiating party if it will agree in writing not to disclose this proprietary and competitively sensitive cost information -- a prudent and normal business practice in any industry.

The third example is that "[i]n Pennsylvania, Bell Atlantic has proposed a network unbundling tariff which unbundles only the loop and the port, it does not unbundle the local switch." This example appears to be based on a fundamental misunderstanding of a proposal we initially made prior to passage of the Act. Bell Atlantic's proposal to provided an unbundled "port" included far more than simply a connection to the switch; it also included all of the local switching functionality needed to route and complete local calls, as well as access to all vertical features in the switch. In short, the local "port" element proposed by Bell Atlantic in Pennsylvania represented our best good faith assessment of the market requirements for an unbundled local switching element. That assessment was confirmed by the facilities-based competitors participating in that proceeding, who acknowledged that Bell Atlantic's unbundling proposal provided them all they needed to offer competing local phone service. Now that the Commission has issued its order defining the precise requirements for local switch unbundling, Bell Atlantic will offer competing providers an unbundled element that complies with that definition.

I trust that this information will lay to rest any concerns raised by Senator Dorgan's inquiry. If you require any additional information, please do not hesitate to contact me at (703) 974-1200.

Sincerely yours,

  
Edward D. Young III

cc: Commissioner R. Chong  
Commissioner S. Ness  
Commissioner J. Quello